

**Congress of the United States**

Washington, DC 20510

July 5, 2018

551

The Honorable Ajit Pai  
Chairman  
Federal Communications Commission  
445 12<sup>th</sup> Street SW  
Washington, DC 20554

Dear Chairman Pai:

We are writing to direct your attention to an appeal that is pending before the Federal Communications Commission, filed on April 9, 2018 by the Farmington Municipal School District (District) located in New Mexico.

This District covers more than 800 square miles in New Mexico, is largely rural, borders—and includes portions of—the Navajo Nation. The District serves approximately 11,000 students, roughly one third of whom are Native American, one third Hispanic, and one third Caucasian.

The Universal Service Administrative Company (USAC) has denied Farmington Municipal Schools' request for \$1.2 million in E-rate funding for funding year 2016. USAC claimed that Farmington had inappropriately factored state matching funds into its competitive bidding analysis.

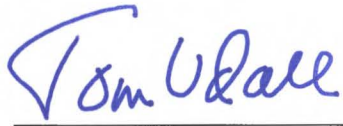
In its appeal, Farmington notes that it provided evidence to show that it did not factor state funds into its competitive bidding analysis. Farmington argues that it scrupulously followed the Commission's competitive bidding rules: it calculated the "total life of the facility" for the self-provisioning option, used the price of eligible E-rate services only as the primary factor in its bid evaluation process, and then selected the most cost-effective bid.

Because USAC's denial of Farmington's funding request for its self-provisioned wide area network (WAN), this effectively denies all E-rate funding for Farmington's WAN services for the 20-year life of the network, and we urge the Commission to review USAC's decision as soon as possible.

We request that the Commission provide an update as to the status of the appeal as well as an estimate as to when a Commission decision will be issued.

Thank you, and we look forward to your prompt response.

Sincerely,

A handwritten signature in blue ink that reads "Tom Udall". The signature is fluid and cursive, with the first name "Tom" and last name "Udall" clearly legible.

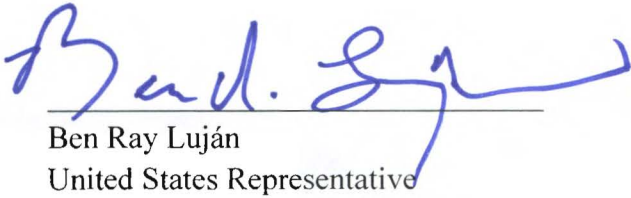
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Tom Udall  
United States Senator

A handwritten signature in blue ink that reads "Martin Heinrich". The signature is cursive and stylized, with the first name "Martin" and last name "Heinrich" clearly legible.

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Martin Heinrich  
United States Senator

A handwritten signature in blue ink that reads "Ben Ray Luján". The signature is cursive and stylized, with the first name "Ben", middle name "Ray", and last name "Luján" clearly legible.

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Ben Ray Luján  
United States Representative



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

August 9, 2018

The Honorable Ben Ray Luján  
U.S. House of Representatives  
2231 Rayburn House Office Building  
Washington, D.C. 20515

Dear Congressman Luján:

Thank you for your inquiry regarding the Farmington Municipal School District. I understand that Farmington covers hundreds of square miles of rural New Mexico, including portions of the Navajo Nation. Like other schools, it appears Farmington's efforts to build out fiber to serve its schoolchildren have been caught up in the several review processes that the Universal Service Administrative Company has launched to comply with the "cost effectiveness" requirement of the 2014 *Second E-Rate Modernization Order*.

I have asked our agency staff to prioritize the review of Farmington's appeal. I am hopeful that the staff will be able to review the record and provide a recommendation for moving forward in the near term, taking into account the E-Rate program's goal of connecting eligible schools and libraries while protecting the program from waste, fraud, and abuse.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance.

Sincerely,

A handwritten signature in black ink, reading "Ajit V. Pai". The signature is fluid and cursive, with the first name "Ajit" being the most prominent part.

Ajit V. Pai



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

August 9, 2018

The Honorable Martin Heinrich  
United States Senate  
303 Hart Senate Office Building  
Washington, D.C. 20510

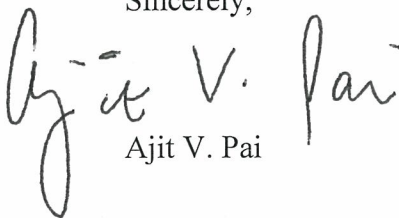
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Ajit V. Pai





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August 9, 2018

The Honorable Senator Tom Udall  
United States Senate  
531 Hart Senate Office Building  
Washington, D.C. 20510

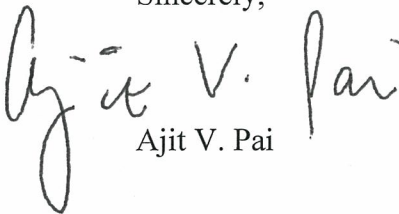
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Ajit V. Pai